TRANSFER OF LAND IN PORTO RICO TO FEDERAL LAND BANK OF BALTIMORE, MD.

JANUARY 15 (calendar day, JANUARY 16), 1925.—Ordered to be printed

Mr. Reed of Pennsylvania, from the Committee on Military Affairs, submitted the following

REPORT

[To accompany S. 3630]

The Committee on Military Affairs, to which was referred the bill (S. 3630) authorizing the Secretary of War to convey to the Federal Land Bank of Baltimore certain land in the city of San Juan, P. R., having considered the same, report thereon favorably with the recommendation that the bill do pass with two amendments recommended by the War Department.

The amendments recommended by the Secretary of War are set forth in the following letter from the War Department and the bill.

as amended, has the approval of the department:

WAR DEPARTMENT, Washington, January 12, 1925.

Hon. James W. Wadsworth, Chairman Committee on Military Affairs, United States Senate.

My Dear Senator Wadsworth: Reference is made to memorandum from the chairman Committee on Military Affairs, United States Senate, dated December 11, 1924, requesting a report on S. 3630, a bill to authorize the Secretary of War to convey by quitclaim deed to the Federal Land Bank of Baltimore, Baltimore, Md., upon such terms as he may consider advisable, the tract of land situated in the city of San Juan, in the island of Porto Rico, on Tetuan Street, upon which is now located a small brick and mortar building known as Army

Building No. 108.

I am pleased to inform you that in view of the promise that funds will be secured by the Federal Land Bank of Baltimore with which to construct a double set of noncommissioned officers' quarters on the main reservation at San Juan in exchange for the property referred to, the War Department will interpose no objection to the passage of the bill, provided the bill is amended so that the War Department will be authorized to accept and use the funds turned over to it by the Federal Land Bank of Baltimore for the construction of the set of noncommissioned officers' quarters referred to. In this connection it is suggested that the bill be amended so as to strike out the words "upon such terms as he may consider advisable" in lines 5 and 6, page 1, and insert instead the words "for the sum of \$6,000, which is hereby made available for the construction of a double set of noncommissioned officers' quarters on the main reservation of San Juan, Porto Rico, which will replace the double set of noncommisioned officers' quarters on the land to be conveyed."

The true metes and bounds of this tract of land should also be set out in the bill. For this purpose it is suggested that the bill be further amended so as to strike out lines 9 and 10 on page 1, and all of the balance of said bill on page 2,

and insert instead the following:

"Being the easterly part of La Palma Bastion Military Reservation, San Juan, Porto Rico, located and described as follows: Beginning at the northwesterly corner of this parcel located at the southerly side of Tetuan Street, in line with the north wall of a masonry building on this parcel and distance 5.61 meters from the northwest corner of same building; thence bounding with La Palma Bastion bearing south 12 degrees 49 minutes east a distance of 20.74 meters to the city wall; thence along the inside of this wall north 83 degrees 38 minutes east a distance of 24.04 meters; thence north 5 degrees 26 minutes west a distance of 0.94 meter; thence north 83 degrees 38 minutes east a distance of 5.91 meters; thence north 12 degrees 24 minutes east a distance of 10.06 meters to the Recinto Sur Street; thence along the westerly side of the Recinto Sur Street north 25 degrees 01 minute west a distance of 11.80 meters; thence along a curve radius about 10 feet to its intersection with Tetuan Street, bounding with a small parcel conveyed to the people of Porto Rico; thence along the south line of Tetuan Street south 77 degrees 28.10 meters to the point of beginning. The above-described parcel contains an area of 719.68 square meters.

Sincerely yours,

JOHN W. WEEKS, Secretary of War.

This bill is strongly urged by the Federal Farm Loan Bureau, as is shown by the following letter from that bureau:

> TREASURY DEPARTMENT, FEDERAL FARM LOAN BUREAU, Washington, January 13, 1925.

Hon. James W. Wadsworth, Jr.,

Chairman Military Affairs Committee,

United States Senate.

SIR: In considering Senate bill 3630, introduced by Senator Reed and providing for the Secretary of War to make a deed to the Federal Land Bank of Baltimore, of a certain lot in the city of San Juan, P. R., for the purpose of erecting thereon a building suitable for the branch bank doing business in Porto Rico, I wish to call your attention to several phases of this subject so that you and the Military Affairs Committee may fully understand the situation.

Congress amended the farm loan act so as to extend the provision of this act

to the island of Porto Rico, the amendment providing that the Farm Loan Board should designate one of the Federal land banks to undertake this work in Porto Pursuant to that mandate from Congress, the board directed the Federal

Land Bank of Baltimore to establish this branch in Porto Rico.

The Federal Land Bank of Baltimore, or any other of the Federal land banks, would never have gone to Porto Rico as a business proposition had it not been for the action of Congress directing that this be done. From a business point of view no bank would have undertaken it because it meant undertaking work which for several years at least would be done at a loss. This has proven to be the case, and the Federal Land Bank of Baltimore the past three years has been oper-This has proven to be the ating this branch in Porto Rico without profit.

I trust you and the committee will remember this in considering the bill and that the Federal Government, in our opinion, should make this work as easy as possible by cooperating with this board and the Federal Land Bank of Baltimore in providing suitable quarters in which to conduct the business of the branch bank.

In the beginning the insular government agreed to furnish offices and did so by providing two small rooms in one of the government buildings. In those rooms were no suitable vaults for caring for the mortgages and other papers which must necessarily be protected from fire. A small brick vault was made in one corner of one of these small rooms. The business of the branch bank has grown to approximately \$5,000,000 in loans in Porto Rico and the rooms provided by the insular government are entirely inadequate as a working space for the employees and no suitable protection from fire is provided, and it is absolutely necessary for something to be done, and that at once, to properly house this branch bank.

For more than a year efforts have been made to have the insular government provide better quarters. They say they are unable to do so and really need the rooms now occupied by the branch bank, and there seems to be only two courses for the bank to take; one to rent rooms for their purposes and the other to construct a building of their own. In San Juan it is not easy to rent suitable rooms which would provide vault space for the safe storing of their notes and mortgages and other papers, and even if it were possible to rent such quarters, such rental would be in excess of the charges represented as interest on the kind of a building which they would be able to construct on this piece of ground in question. As you perhaps know, such locations in the city of San Juan are difficult to find and in lieu of the fact that the farm-loan system is an agency of the Federal Government, established by the Government to provide credit for the farmers of our Nation, we feel that we should have the cooperation of any other branch of the Federal Government in carrying on the work which Con-

gress has imposed by legislation.

In this connection I wish to say that the operations of this branch bank, and the service it has so gratuitously rendered the people of Porto Rico, is one of the outstanding agencies of the Federal Government to have brought about a better understanding and feeling of the people of Porto Rico and the United States Government, and the whole work of this branch has been one of service and not profit. This has been the view taken by this board, the Federal Land Bank of Baltimore, and the officers of the branch in Porto Rico, the insular government of Porto Rico, the Governor General of the island, H. M. Towner the Secretary of War, and everyone else familiar with the situation.

Unless this bill passes Congress this session the people in charge of the branch in Porto Rico will be most seriously handicapped in their operation and the valuable records in danger of loss and destruction by fire, as they are inadequately protected at present. All efforts for the past year in trying to provide for better working quarters in San Juan have failed and this is the best arrangement which our manager, Mr. Thomas, and the authorities in Porto Rico have

been able to work out.

I trust that you will very promptly give this bill your serious consideration and report the same favorably to the Senate, so that it may certainly pass before

the expiration of this Congress.

Very truly yours,

E. E. Jones, Member Farm Loan Board.

